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measured by the moral and material elevation of their working classes, and for the promotion of this end, the enactment of proper sanitary laws, and their efficient administration, can play no small part.

W. W. WILLoughby.

Washington, D. C.

A SUCCESSFUL SCHOOL SAVINGS BANK.

In connection with the comprehensive paper on "School Savings Banks," in the ANNALS for July, 1892, it may be of interest to present a short account of some novel features found in the very successful bank operated by the public schools of Bloomington, Ind.

This bank was put into operation September 28, 1891, upon the general plan outlined in the above mentioned paper, with, however, a few slight deviations that render necessary a special system of books. Some of these have been copyrighted by the manager, Mr. C. M. Carpenter. Money is received on Mondays, both morning and afternoon. The pupil fills out a deposit check, which is filed by the teacher. The amount is credited upon the pupil's pass-book, which he retains, and also upon the teacher's ledger. The teacher then seals all the money in an envelope, with a statement of the amount on the outside. The manager goes to the various teachers and collects the envelopes, giving a receipt for the amount of each. He then takes the envelopes to the secretary of the Workmen's Building Loan-Fund and Savings Association, who counts the money in the manager's presence and places it among the funds of the association. If any pupil wishes to withdraw any of his money he writes a check for the amount, signed by his parent and by the teacher, who places it in the envelope with the deposits. When the secretary of the association finds these drafts he hands them to the manager, who countersigns them. The secretary pays the amount out of the deposits just received, placing the money for each teacher in a separate envelope. These envelopes the manager carries back, receiving from each teacher a receipt. Thus he does not touch the money at any point, the only possibility of fraud being his failure to give the secretary a receipt for money returned on drafts. This will be rectified.

The especially novel feature of this plan is the fact that the money is deposited with a building association, rather than a savings bank. Such a disposition of the funds was a necessity at the outset, there being no savings bank in Bloomington. But, as it turns out, it is the most fitting and feasible plan possible; fitting, because the two institutions are so similar in their nature and aims, and feasible because it helps the association, and at the same time compels the pupil to deal only with the teacher, thus retaining the bank as a constituent part

of the school. The manager asserts that this plan influences the pupil to continue a depositor in cases where, if he had to deal directly with a bank after reaching the sum of three dollars, he would soon discontinue depositing. The school bank is carrying 100 shares of running stock, for which it pays weekly \$25. The balance of the deposits is then applied to the purchase of paid-up stock, bearing six per cent interest from date of deposit.

This plan involves another very novel feature in the working of the bank—namely, the fact that ten per cent interest per annum is paid depositors. Such a high rate of interest is rendered possible by the method of computation. No interest is paid except on even dollars, and deposits are not credited to the interest account except on the last Monday of each month. Taking this in connection with the fact that the building association gives interest at six per cent from date, it will readily be seen how those deposits that are on the interest account can receive a very high rate—a rate, moreover, that will be largely increased when the 100 shares of running stock mature. It should be mentioned in this connection that all blanks are provided by the school, and that no one receives any pay for work, so that the whole earnings go to the interest account.

The manager's report, covering the period since the organization up to January, 1893, shows the following figures: Of the 1100 pupils, 650 are depositors, or 59 per cent. Total amount collected for the 69 weeks of operation, \$3254.61; average weekly deposits, \$47.17; total amount withdrawn, \$953.34; average weekly draft, \$13.81; average savings, \$33.36; amount due depositors, \$2301.27. Since September 5, 1892, the average deposit has been \$58.21; average draft, \$17.77; savings, \$40.44. This shows an average deposit of 6 cents for each pupil depositing.

The plan of having all accounts kept by the school increases, of course, the work for the teachers. Besides the time consumed during the session the teacher must take time for posting. Then once a month there is the transferring of deposits to the interest account, and once in six months the computation of interest, which requires several hours.

It is, of course, too early to draw any definite conclusions as to the effects upon the pupils, but it may be taken for what it is worth that confectioners report a perceptible and continued fall in the sales of candy and chewing gum since the organization.

One thing would seem to need watching. The rule is that there shall be no deposit larger than a dollar without special permission of the manager. But in practice, although many requests have been refused, deposits of five dollars have not been uncommon. One boy of 14 deposited in one month between \$60 and \$70, claiming to have earned it. One girl deposited sums of \$5, \$10, and even \$15, until

about \$100 had been deposited, and then ceased altogether. But the most extreme case was where a girl deposited \$100 at one time—a present from her father with the understanding that she was to save it. Such things as these indicate that parents are taking advantage of the high interest paid and are depositing for investment. Though this does not directly injure any one, yet it compels the teachers to keep books for people better off than they, and has likewise a tendency to discourage those who can not deposit such heavy sums. With the one-dollar limit more strictly adhered to this would be an exceedingly successful school savings bank.

W. F. HARDING.

Indianapolis, Ind.

BULLION NOTES AND AN ELASTIC CURRENCY.

In the April number of *The Forum* Mr. José F. de Navarro proposes, instead of the present system of silver certificates and treasury notes redeemable in silver dollars, to substitute a system of bullion notes redeemable in silver bullion at the gold price of silver on the day of payment. This is essentially the plan submitted to Congress in 1889 by Secretary Winder, who proposed to restrict the issue of these bullion notes to the yearly commercial value of the product of the American mines. This would have resulted in an annual increase of the currency of about \$55,000,000 (57,600,040 in 1891). All the advantages of the plan as claimed by Mr. de Navarro may be readily conceded. It would check at once the scare about the loss of our gold. In fact, with such a system of currency, the United States could dispense with gold altogether. This is a contingency, however, which neither Secretary Winder nor Mr. de Navarro seems to have considered safe or allowable. Yet further consideration will show that, having adopted the system of bullion notes, every dollar of gold now on hand might be exported to Europe, and every new ounce from the mines might follow it, yet every dollar of American currency would be as good as a gold dollar. Should all the gold leave the country in this way, cablegram reports from London every day would give the gold price of silver, just as the Director of the Mint to-day receives prices to guide him in the purchase of bullion under the act of 1890. Every bullion note presented to the Treasury would be redeemed in silver bullion at the world's gold price of silver on that day, and would, therefore, be equal to a redemption in gold on the markets of the world.

If these principles be true, may not the United States go further and adopt a scientifically elastic system of currency, based on bullion notes?

The distinguished Swiss professor of political economy, Léon Walras, of Lausanne, some years ago proposed a plan for an elastic currency, and substantially the same plan has been advocated by President E. Benjamin Andrews, of Brown University, one of the American delegates